

2011 Property Tax Report

Warrick County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Warrick County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Warrick County

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	11,670	80.0%	2,248	15.4%
No Change	439	3.0%	62	0.4%
Lower Tax Bill	2,481	17.0%	12,280	84.2%
Average Change in Tax Bill	3.8%		-17.0%	
Detailed Change in Tax Bill				
20% or More	517	3.5%	1,029	7.1%
10% to 19%	1,605	11.0%	421	2.9%
1% to 9%	9,548	65.4%	798	5.5%
0%	439	3.0%	62	0.4%
-1% to -9%	2,056	14.1%	1,542	10.6%
-10% to -19%	196	1.3%	2,743	18.8%
-20% to -29%	86	0.6%	5,366	36.8%
-30% to -39%	39	0.3%	1,508	10.3%
-40% to -49%	26	0.2%	499	3.4%
-50% to -59%	20	0.1%	150	1.0%
-60% to -69%	16	0.1%	106	0.7%
-70% to -79%	12	0.1%	88	0.6%
-80% to -89%	8	0.1%	76	0.5%
-90% to -99%	9	0.1%	50	0.3%
-100%	13	0.1%	152	1.0%
Total	14,590	100.0%	14,590	100.0%

Note: Percentages may not total due to rounding.

★★★★★
 LOSS OF STATE HOMESTEAD
 CREDIT RAISED HOMEOWNER
 TAX BILLS, DESPITE A DROP IN
 TAX RATES
 ★★★★★

Homestead Property Taxes

Homestead property taxes increased 3.8% on average in Warrick County in 2011. This was less than the state average of 4.4%. Warrick County homestead taxes were still 17.0% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax increase in 2011 was mostly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 3.6% in Warrick County in 2010. Most tax rates in Warren fell in 2011, but not enough to prevent the loss of the state credit from increasing homeowner tax bills.

Tax Rates

Property tax rates declined in the majority of Warrick County tax districts. The average tax rate fell by 1.0%, mainly because of an increase in certified net assessed value. Levies in Warrick County increased by 0.2%. The biggest levy increases were in the county general, court house lease rental, and park bond funds and the Boonville fire territory fund. Boonville's fire levy increase was partially offset by a large reduction in the general fund. The biggest levy reductions were in the Warrick County Schools debt service fund and in the Warrick County Solid Waste levy. Warrick County's total net assessed value decreased 2.8% in 2011. (The certified net AV used to compute tax rates rose by 1.2%.) Homestead and agricultural net assessments increased by 0.9% and 6.2%, respectively. Other residential assessments showed an increase of 1.7%, while business net assessments decreased by 9.7%.

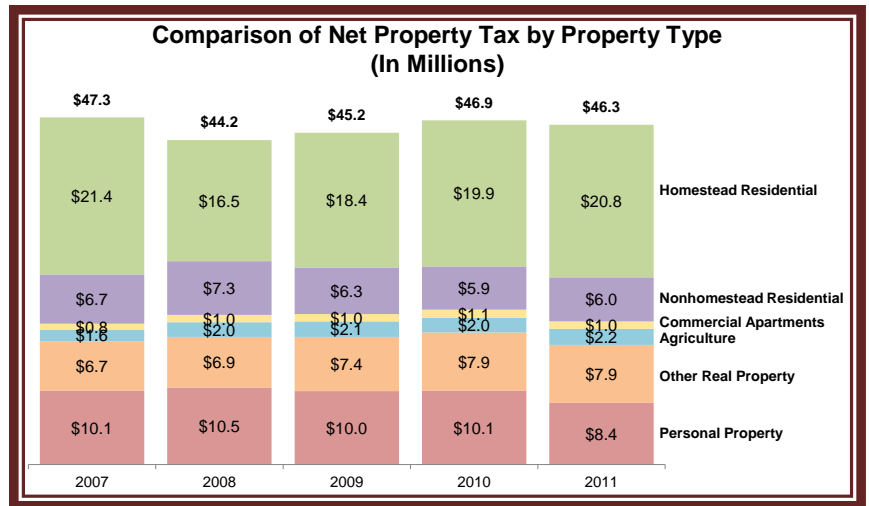
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**TAX REDUCTIONS FOR APARTMENTS AND
BUSINESSES, TAX INCREASES FOR
AGRICULTURE AND OTHER RESIDENTIAL**

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers decreased 1.2% in Warrick County in 2011, less than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 1.6%. Tax bills for commercial apartments decreased 1.6%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - fell by 9.7 %. Agricultural tax bills rose 6.1%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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**TAX CAP CREDITS
INCREASED IN 2011**

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Total tax cap credit losses in Warrick County were \$619,081, or 1.3% of the levy. This was less than the state average loss rate of 9.2%, and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Warrick County's tax rates were less than the state median.

More than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. The largest percentage losses were in the city of Boonville, the town of Newburgh, and Boon Township. The largest dollar losses were in the Warrick County School Corporation, the city of Boonville, and the county unit.

Warrick County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$245,683	\$538,310	\$123,500	\$2,033	\$909,526	1.9%
2011 Tax Cap Credits	247,424	365,172	0	6,485	619,081	1.3%
Change	\$1,741	-\$173,138	-\$123,500	\$4,452	-\$290,445	-0.6%

Tax cap credits decreased in Warrick County in 2011 by \$290,445, or 32%. The reduced credits

represent a gain of 0.6% of the total tax levy. Most of the decrease in tax cap credits was in the 2% tax cap category, the result of lower tax rates. Warrick County credits in the 3% business category dropped to zero. This resulted from the decline in the tax rate in the Boonville City tax district below \$3, which eliminated tax cap credit eligibility for property in the 3% category. The elimination of the state homestead credit caused much of the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had a small effect on Warrick County assessments for pay-2011. Homestead and other residential property values and construction activity appear to have grown slowly in Warrick County in 2009, but increases in business values and agricultural assessments added to growth. More rapid growth would have decreased tax rates more, leading to bigger tax cap credit reductions.

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**2009 RECESSION HAD SMALL EFFECTS
ON ASSESSMENTS IN 2011**

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$2,826,811,990	\$2,857,948,723	1.1%	\$1,372,158,310	\$1,385,062,935	0.9%
Other Residential	340,443,100	346,085,423	1.7%	336,031,902	341,770,136	1.7%
Ag Business/Land	132,275,932	140,568,201	6.3%	132,107,000	140,284,159	6.2%
Business Real/Personal	1,324,852,786	1,354,807,121	2.3%	1,123,849,461	1,015,375,528	-9.7%
Total	\$4,624,383,808	\$4,699,409,468	1.6%	\$2,964,146,673	\$2,882,492,758	-2.8%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Warrick County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	%Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	65,064,483	67,515,689	44,422,738	45,433,418	45,535,096	3.8%	-34.2%	2.3%	0.2%
State Unit	74,381	76,682	0	0	0	3.1%	-100.0%		
Warrick County	13,437,564	14,333,766	13,041,949	12,974,135	13,592,029	6.7%	-9.0%	-0.5%	4.8%
Anderson Township	371,676	379,237	388,920	377,871	383,619	2.0%	2.6%	-2.8%	1.5%
Boon Township	253,593	269,394	280,823	291,519	119,115	6.2%	4.2%	3.8%	-59.1%
Campbell Township	19,248	19,657	20,741	21,475	21,951	2.1%	5.5%	3.5%	2.2%
Greer Township	25,834	29,147	30,705	30,756	32,673	12.8%	5.3%	0.2%	6.2%
Hart Township	62,274	81,631	96,054	41,221	26,373	31.1%	17.7%	-57.1%	-36.0%
Lane Township	6,690	6,930	7,188	7,339	7,637	3.6%	3.7%	2.1%	4.1%
Ohio Township	1,385,485	743,022	803,638	591,018	583,206	-46.4%	8.2%	-26.5%	-1.3%
Owen Township	35,435	36,201	28,929	29,691	30,198	2.2%	-20.1%	2.6%	1.7%
Pigeon Township	42,863	44,579	46,877	46,040	48,924	4.0%	5.2%	-1.8%	6.3%
Skelton Township	55,198	58,146	61,282	62,061	64,521	5.3%	5.4%	1.3%	4.0%
Boonville Civil City	2,286,753	2,352,236	2,377,528	2,462,976	2,923,919	2.9%	1.1%	3.6%	18.7%
Chandler Civil Town	378,615	394,349	404,150	403,080	419,756	4.2%	2.5%	-0.3%	4.1%
Elberfeld Civil Town	156,273	163,411	163,718	167,994	163,850	4.6%	0.2%	2.6%	-2.5%
Lynnville Civil Town	47,120	145,365	151,997	156,710	121,190	208.5%	4.6%	3.1%	-22.7%
Newburgh Civil Town	580,915	600,976	595,186	632,657	648,311	3.5%	-1.0%	6.3%	2.5%
Tennyson Civil Town	18,207	18,871	19,710	20,409	20,970	3.6%	4.4%	3.5%	2.7%
Warrick County School Corp	42,502,572	43,692,611	21,491,907	22,556,655	22,088,088	2.8%	-50.8%	5.0%	-2.1%
Newburgh - Ohio Township Public Library	2,056,703	1,874,802	2,108,115	2,188,316	2,224,143	-8.8%	12.4%	3.8%	1.6%
Boonville-Warrick County Public Library	706,127	734,528	770,556	797,710	820,218	4.0%	4.9%	3.5%	2.8%
Warrick County Solid Waste Mgt Dist	560,957	1,460,148	1,532,765	1,573,785	1,194,405	160.3%	5.0%	2.7%	-24.1%

Warrick County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
87001	Anderson Township	1.4425	--	--	--	--	--	--	1.4425
87002	Boon Township	1.7082	--	--	--	--	--	--	1.7082
87003	Boonville City	2.8750	--	--	--	--	--	--	2.8750
87005	Chandler Town-Boon Township	1.9282	--	--	--	--	--	--	1.9282
87006	Campbell Township	1.4073	--	--	--	--	--	--	1.4073
87007	Greer Township	1.5730	--	--	--	--	--	--	1.5730
87008	Elberfeld Town	2.0927	--	--	--	--	--	--	2.0927
87009	Hart Township	1.5386	--	--	--	--	--	--	1.5386
87010	Lynnville Town	1.7762	--	--	--	--	--	--	1.7762
87011	Lane Township	1.4310	--	--	--	--	--	--	1.4310
87014	Newburgh Town	1.9568	--	--	--	--	--	--	1.9568
87015	Owen Township	1.5002	--	--	--	--	--	--	1.5002
87016	Pigeon Township	1.4819	--	--	--	--	--	--	1.4819
87017	Skelton Township	1.4887	--	--	--	--	--	--	1.4887
87018	Tennyson Town	2.0362	--	--	--	--	--	--	2.0362
87019	Ohio Township	1.5173	--	--	--	--	--	--	1.5173
87020	Chandler Town-Ohio Township	2.0125	--	--	--	--	--	--	2.0125

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Warrick County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	247,424	365,172	0	6,485	619,081	45,535,096	1.4%
<i>TIF Total</i>	0	0	0	0	0	1,870,740	0.0%
<i>County Total</i>	247,424	365,172	0	6,485	619,081	47,405,836	1.3%
Warrick County	54,937	61,404	0	1,889	118,231	13,592,029	0.9%
Anderson Township	13	0	0	2	15	383,619	0.0%
Boon Township	1,251	3,222	0	49	4,521	119,115	3.8%
Campbell Township	0	0	0	1	1	21,951	0.0%
Greer Township	8	98	0	1	106	32,673	0.3%
Hart Township	9	0	0	0	9	26,373	0.0%
Lane Township	13	0	0	0	13	7,637	0.2%
Ohio Township	1,033	18	0	71	1,122	583,206	0.2%
Owen Township	0	0	0	1	1	30,198	0.0%
Pigeon Township	100	0	0	1	101	48,924	0.2%
Skelton Township	26	18	0	15	60	64,521	0.1%
Boonville Civil City	53,548	184,045	0	671	238,264	2,923,919	8.1%
Chandler Civil Town	291	693	0	59	1,043	419,756	0.2%
Elberfeld Civil Town	52	1,337	0	5	1,394	163,850	0.9%
Lynnville Civil Town	27	0	0	0	27	121,190	0.0%
Newburgh Civil Town	28,219	0	0	84	28,303	648,311	4.4%
Tennyson Civil Town	13	239	0	0	251	20,970	1.2%
Warrick County School Corp	90,044	100,885	0	3,069	193,998	22,088,088	0.9%
Newburgh - Ohio Township Public Library	9,975	203	0	274	10,452	2,224,143	0.5%
Boonville-Warrick County Public Library	2,996	7,555	0	127	10,678	820,218	1.3%
Warrick County Solid Waste Mgt Dist	4,869	5,455	0	166	10,490	1,194,405	0.9%
Warrick County Solid Waste Mgt Dist	0	0	0	0	0	0	
Lynnville Hart Twp Fire Protection Terr	0	0	0	0	0	0	
TIF - Boon Twp TIF	0	0	0	0	0	285,554	0.0%
TIF - Campbell Twp TIF	0	0	0	0	0	465	0.0%
TIF - Greer Twp TIF	0	0	0	0	0	541	0.0%
TIF - Ohio Twp TIF	0	0	0	0	0	1,584,180	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.